

PROPOSED AMENDMENT

SB 308 # 6

DIGEST

PROPOSED COMMITTEE AMENDMENT TO SB 308. Provides that authority for the 10% rate for the Marion County admissions tax is extended through 2044 (rather than through February of 2023). Extends the period in current law under which the Marion County admissions tax applies to all events at a covered facility (rather than applying only to professional sporting events). Provides that the Marion County professional sports development area (PSDA) may be changed to include the site or future site of a facility or complex of facilities that includes a soccer stadium. Allows an additional \$2,000,000 of state revenue to be captured each year, for 30 years, from the area added to the PSDA to include a soccer stadium. Provides, however, that this amount of additional state revenue that may be captured is reduced each year by the amount of admissions tax revenue received from events held at the facility or complex of facilities that includes a soccer stadium. Requires the budget agency and the budget committee to review a comprehensive business plan submitted by the metropolitan development commission and the owner of the soccer franchise that would be the primary tenant of a soccer stadium before the budget agency may approve the commission's proposed resolution expanding the PSDA.

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-9-13-1, AS AMENDED BY P.L.214-2005,
4 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b),
6 the city-county council of a county that contains a consolidated ~~first~~
7 ~~class~~ city may adopt an ordinance to impose an excise tax, known as
8 the county admissions tax, for the privilege of attending, before January
9 1, ~~2041~~, **2045**, any event and, after December 31, ~~2040~~, **2044**, any
10 professional sporting event:
11 (1) held in a facility financed in whole or in part by:
12 (A) bonds or notes issued under IC 18-4-17 (before its repeal
13 on September 1, 1981), IC 36-10-9, or IC 36-10-9.1; or
14 (B) a lease or other agreement under IC 5-1-17; and
15 (2) to which tickets are offered for sale to the public by:
16 (A) the box office of the facility; or
17 (B) an authorized agent of the facility.
18 (b) The excise tax imposed under subsection (a) does not apply to
19 the following:

(1) An event sponsored by an educational institution or an association representing an educational institution.

(2) An event sponsored by a religious organization.

(3) An event sponsored by an organization that is considered a charitable organization by the Internal Revenue Service for federal tax purposes.

(4) An event sponsored by a political organization.

(c) If a city-county council adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(d) If a city-county council adopts an ordinance under subsection (a) or section 2 of this chapter prior to June 1, the county admissions tax applies to admission charges collected after June 30 of the year in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a) or section 2 of this chapter on or after June 1, the county admissions tax applies to admission charges collected after the last day of the month in which the ordinance is adopted.

SECTION 2. IC 6-9-13-2, AS AMENDED BY P.L.205-2013, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b), the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) On or before June 30, 2005, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax from five percent (5%) to six percent (6%) of the price for admission to any event described in section 1 of this chapter.

(c) After January 1, 2013, and before March 1, 2013, the city-county council may, by ordinance adopted by a majority of the members elected to the city-county council, increase the county admissions tax rate by not more than four percent (4%) of the price for admission to any event described in section 1 of this chapter. If the city-county council adopts an ordinance under this subsection:

(1) the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue; and

(2) the tax applies to transactions after the last day of the month in which the ordinance is adopted, if the city-county council

adopts the ordinance on or before the fifteenth day of a month. If the city-county council adopts the ordinance after the fifteenth day of a month, the tax applies to transactions after the last day of the month following the month in which the ordinance is adopted.

The increase in the tax imposed under this subsection continues in effect unless the increase is rescinded. However, any increase in the tax rate under this subsection may not continue in effect after ~~February 28, 2023~~; **December 31, 2044**.

(d) **Except as provided in subsection (f)**, the amount collected from that portion of the county admissions tax imposed under:

(1) subsection (a) and collected after December 31, 2027; and

(2) subsection (b);

shall be distributed to the capital improvement board of managers or its designee. So long as there are any current or future obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency pursuant to a lease or other agreement entered into between the capital improvement board of managers and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board of managers or its designee shall deposit the revenues received from that portion of the county admissions tax imposed under subsection (b) in a special fund, which may be used only for the payment of the obligations described in this subsection.

(e) **Except as provided in subsection (f)**, the amount collected from an increase adopted under subsection (c) shall be deposited in the sports and convention facilities operating fund established by IC 36-7-31-16.

(f) **The entire amount collected under this chapter from any event held at facility or complex of facilities that includes a soccer stadium that:**

(1) is constructed after June 30, 2014; and

(2) is financed as described in section 1(a)(1) of this chapter; shall be distributed to the capital improvement board of managers or its designee.

SECTION 3. IC 36-7-31-11, AS AMENDED BY P.L.182-2009(ss), SECTION 410, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A tax area must be initially established before July 1, 1999, according to the procedures set forth for the establishment of an economic development area under IC 36-7-15.1. A tax area may be changed (including to the exclusion or

inclusion of a facility described in this chapter) or the terms governing the tax area may be revised in the same manner as the establishment of the initial tax area. However, a tax area may be changed as follows:

(1) After May 14, 2005, a tax area may be changed to include the site or future site of a facility that is or will be the subject of a lease or other agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26.

(2) After June 30, 2009, a tax area may be changed to include the site or future site of a facility or complex of facilities described in section 10(a)(3) of this chapter.

(3) After June 30, 2014, a tax area may be changed to include the site or future site of a facility or complex of facilities that includes a soccer stadium.

~~(3)~~ (4) The terms governing a tax area may be revised only with respect to a facility or complex of facilities described in subdivision (1), ~~or~~ (2), **or (3).**

(b) In establishing or changing the tax area or revising the terms governing the tax area, the commission must do the following:

(1) With respect to a tax area change described in subsection (a)(1) **or (a)(3)**, the commission must make the following findings instead of the findings required for the establishment of economic development areas:

(A) That a project to be undertaken or that has been undertaken in the tax area is for a facility at which a professional sporting event or a convention or similar event will be held.

(B) That the project to be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(C) That the project to be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(2) With respect to a tax area change described in subsection (a)(2), the commission must make the following findings instead of the findings required for the establishment of an economic development area:

(A) That the facility or complex of facilities in the tax area provides both convenient accommodations for professional sporting events, conventions, or similar events and significant

meeting and convention space that directly enhance events held in the capital improvements that are owned, leased, or operated by the capital improvement board.

(B) That the facility or complex of facilities in the tax area and the capital improvements that are owned, leased, or operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(C) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(D) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

(3) With respect to a tax area change described in subsection (a)(3), the commission and the owner of a professional soccer franchise that would be a primary tenant of the facility or facilities described in subsection (a)(3) shall do the following:

(A) Submit to the budget agency a comprehensive business plan for making professional soccer a profitable enterprise in Indiana, including the costs, revenues, attendance, and media and fan interest of the soccer franchise and the league in which the soccer franchise competes.

(B) Obtain the budget agency's approval of the proposed resolution after the budget agency and the budget committee have reviewed the business plan submitted under clause (A).

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 4. IC 36-7-31-14, AS AMENDED BY P.L.182-2009(ss), SECTION 412, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section does not apply to that part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located. A reference to "tax area" in this section does not include the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located.

(b) A tax area must be established by resolution. A resolution

1 establishing a tax area must provide for the allocation of covered taxes
 2 attributable to a taxable event or covered taxes earned in the tax area
 3 to the professional sports development area fund established for the
 4 county. The allocation provision must apply to the part of the tax area
 5 covered by this section. The resolution must provide that the tax area
 6 terminates not later than December 31, ~~2027~~. **2044.**

7 (c) All of the salary, wages, bonuses, and other compensation that
 8 are:

- 9 (1) paid during a taxable year to a professional athlete for
 10 professional athletic services;
- 11 (2) taxable in Indiana; and
- 12 (3) earned in the tax area;

13 shall be allocated to the tax area if the professional athlete is a member
 14 of a team that plays the majority of the professional athletic events that
 15 the team plays in Indiana in the tax area.

16 (d) Except as provided by section 14.1 of this chapter **and**
 17 **subsection (f)**, the total amount of state revenue captured by the tax
 18 area may not exceed:

- 19 (1) five million dollars (\$5,000,000) per year, for twenty (20)
 20 consecutive years, **from that part of the tax area that does not**
 21 **include the addition to the tax area described in section**
 22 **11(a)(3) of this chapter; plus**
- 23 (2) two million dollars (\$2,000,000) per year, for thirty (30)
 24 consecutive years, **from that part of the tax area that is the**
 25 **addition to the tax area described in section 11(a)(3) of this**
 26 **chapter.**

27 (e) The resolution establishing the tax area must designate the
 28 facility and the facility site for which the tax area is established and
 29 covered taxes will be used.

30 (f) **The total amount of state revenue that otherwise may be**
 31 **captured by the tax area as provided in subsection (d)(2) shall be**
 32 **reduced each year by the lesser of:**

- 33 (1) **the amount of admissions tax revenue received under**
 34 **IC 6-9-13 from events held at a facility or complex of facilities**
 35 **described in IC 6-9-13-2(f); or**
- 36 (2) **two million dollars (\$2,000,000).**

37 ~~(g)~~ (g) The department may adopt rules under IC 4-22-2 and
 38 guidelines to govern the allocation of covered taxes to a tax area.

39 SECTION 5. IC 36-7-31-14.1, AS AMENDED BY
 40 P.L.182-2009(ss), SECTION 413, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.1. (a) The budget director appointed under IC 4-12-1-3 may determine that, commencing July 1, 2007, there may be captured in the tax area up to eleven million dollars (\$11,000,000) per year in addition to the up to ~~five~~ **seven** million dollars (~~\$5,000,000~~) (**\$7,000,000**) of state revenue to be captured by the tax area under section 14 of this chapter for the professional sports development area fund and in addition to the state revenue to be captured by the part of the tax area covered by section 14.2 of this chapter for the sports and convention facilities operating fund, for up to thirty-four (34) consecutive years. The budget director's determination must specify that the termination date of the tax area for purposes of the collection of the additional eleven million dollars (\$11,000,000) per year for the professional sports development area fund is extended to not later than:

(1) January 1, 2041; or

(2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26.

Following the budget director's determination, and commencing July 1, 2007, the maximum total amount of revenue captured by the tax area for years ending before January 1, ~~2041~~, **2045**, is ~~sixteen~~ **eighteen** million dollars (~~\$16,000,000~~) (**\$18,000,000**) per year for the professional sports development area fund.

(b) The additional revenue captured pursuant to a determination under subsection (a) shall be distributed to the capital improvement board or its designee. So long as there are any current or future obligations owed by the capital improvement board to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board or its designee shall deposit the additional revenue received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(c) Notwithstanding the budget director's determination under subsection (a), after January 1, 2010, the capture of the additional eleven million dollars (\$11,000,000) per year described in subsection (a) terminates on January 1 of the year following the first year in which no obligations of the capital improvement board described in

1 subsection (b) remain outstanding.

2 SECTION 6. IC 36-7-31-23, AS AMENDED BY P.L.214-2005,
3 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 23. This chapter expires ~~December 31, 2040.~~
5 **July 1, 2045."**

6 Renumber all SECTIONS consecutively.

(Reference is to SB 308 as printed January 31, 2014.)